

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF MARTIN GAS, INC.) 2015-00395

ORDER

On September 30, 1991, in Case No. 1990-00402, the Commission approved certain adjusted rates for Martin Gas, Inc. ("Martin").¹ In November 2004, Martin proposed and the Commission approved changes to its tariff that included, among other items, changes to its Gas Cost Adjustment ("GCA") clause. Those changes updated the methodology of calculating the components of the Gas Cost Recovery ("GCR") rate.

On November 30, 2015, Martin filed its GCR rate application with rates to be effective January 1, 2016.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Martin's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Martin's notice sets out an Expected Gas Cost ("EGC") of \$5.3904 per Mcf. Martin failed to adjust its Allowable Mcf Purchases in its EGC calculation for greater than 5 percent line loss. Correcting this produces an EGC of \$5.3011 per Mcf, which is a decrease of \$.0011 per Mcf from its prior EGC of \$5.3022 per Mcf.

¹ Case No. 1990-00402, *In the Matter of Application of Martin Gas, Inc. for Authority to Adjust Rates and to Extend Current Surcharge* (Ky. PSC Sept. 30, 1991).

3. Martin's notice sets out no Refund Adjustment ("RA") for the current quarter and no total RA, which is no change from the prior total RA.

4. Martin's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0278) per Mcf. Martin did not use the correct Previous Quarter Reported Actual Adjustment of (\$.0526) per Mcf in the calculation of its total AA. Martin's corrected total AA is (\$.2497) per Mcf, which is a decrease of \$.0163 per Mcf from its previous total AA of (\$.2334) per Mcf.

5. Martin's notice sets out no Balance Adjustment.

6. Martin's corrected GCR rate is \$5.0514 per Mcf, which is a decrease of \$.0174 per Mcf from its previous GCR rate of \$5.0688 per Mcf.

7. The rates set forth in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Martin on and after January 1, 2016.

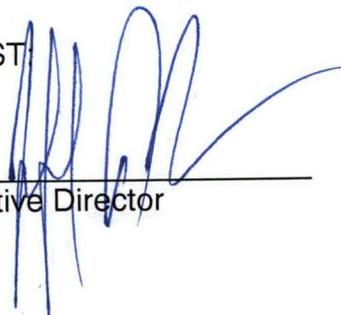
IT IS THEREFORE ORDERED that:

1. The rates proposed by Martin are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered on and after January 1, 2016.
3. Within 20 days of the date of this Order, Martin shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
DEC 07 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST



Executive Director

Case No. 2015-00395

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00395 DATED **DEC 07 2015**

The following rates and charges are prescribed for the customers in the area served by Martin Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RETAIL RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf	\$4.3976	\$5.0514	\$9.4490
Over 1 Mcf	\$4.2808	\$5.0514	\$9.3322
Minimum Bill	\$9.4490		

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